

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.59%	▲ 0.45%	\$1,808.84	\$48.60	▼ 1.56%	▲ 0.50%	▼ 0.76%	▼ 1.19%	BUY TK	83.95	98.91	111.21	12.58
4,861.87	8,383.83	(per ounce)	(per barrel)	43,828.10	26,296.86	2,869.55	3,362.33	SELL TK	84.95	102.71	115.01	13.22

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Star BUSINESS

DHAKA THURSDAY NOVEMBER 26, 2020, AGRAHAYAN 11, 1427 BS • starbusiness@thedailystar.net

Higher GDP growth fails to translate into lower NPL: BIBM

STAR BUSINESS REPORT

An increase in the gross domestic product (GDP) reduces non-performing loans in advanced economies, but it has no such impact on the bad loans in Bangladesh, found a study of the Bangladesh Institute of Bank Management (BIBM).

The BIBM presented the report during a webinar titled "NPL in Banks of Bangladesh: Macro Economic and Bank Specific Perspective" yesterday.

The growths of GDP and NPL are inversely proportional because a strong, positive growth in real GDP usually translates into more income, which improves the debt servicing capacity of borrowers, thereby contributing to lower the NPLs, says the report.

Interestingly, Bangladesh's GDP growth rate has no impact on the NPLs of banks, it said.

"This is because of the presence of a substantial number of wilful defaulters," said Md Alamgir, an associate professor at the BIBM who presented the report.

The amount of the NPLs in the banking sector stood at Tk 96,116 crore at the end of June 2020, which was 9.16 per cent of the total amount of loan disbursed.

Average lending rate of banks has an immense impact on the NPLs, Alamgir said, adding that both regulators and bankers could assist borrowers in Bangladesh by charging a lower rate of interest and thereby increasing their capacity to repay loans.

The BIBM analysis shows that loan growth rate has an inverse relationship with the NPLs.

BIBM recommends

- Stopping borrowers from taking loans from too many banks
- Setting up integrated information system on clients at BB
- Increasing management efficiency
- Employing banks' agents at borrowers' firms
- Assessing credit risk properly
- Abstaining from sanctioning excess loans to inexperienced borrowers
- Introducing effective corporate governance
- Keeping banks free from political pressure
- Removing unhealthy competition among banks over good borrowers

The increase of the NPL both in quantity and percentage of the total loans disbursed is connected to either financial crises or bank failures or both, and it negatively impacts private investment, said Alamgir.

The report recommends developing a data sharing system connecting the banks and Bangladesh Bank so that lenders can carry out a background check to identify bad debtors.

"Then banks will only approve loans upon checking the sound credibility of the borrower and this idea can be developed from cloud computing systems," Alamgir said.

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APPAREL EXPORT

BD opposes Indonesia's move to slap safeguard duty

SOHEL PARVEZ

Bangladesh has opposed Indonesia's move to impose a safeguard duty on apparel shipments to the country as such a measure would be inconsistent with the provisions of global agreements on safeguards, tariffs and trade.

The Bangladesh Trade and Tariff Commission (BTTC) and the Bangladesh Garment Manufacturers & Exporters Association (BGMEA) shared their arguments and observations on the matter during a recent hearing conducted by the Indonesian Safeguards Committee (KPPI).

The hearing took place on November 20, more than one-and-a-half months after the KPPI initiated an investigation into the viability of a safeguard duty following a request from the Indonesia Textile Association against the import of apparels.

The event was organised to give apparel exporting nations an opportunity to present their views on the proposed safeguard duty.

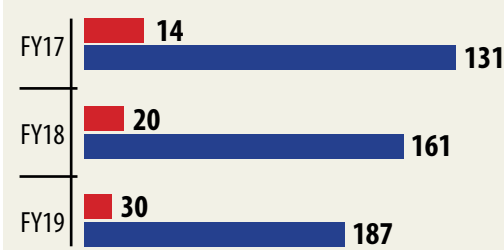
Bangladesh fetched about \$30 million from apparel exports to Indonesia in fiscal 2018-19.

So, levying a safeguard duty would hurt the shipment of garments, which is the country's main export item, according to the BTTC and BGMEA observations.

BANGLADESH'S TEXTILE AND GARMENT TRADE WITH INDONESIA

In million US dollar; SOURCE: EPB, NBR

■ Apparel export ■ Textiles import



Nearly 40 lakh workers, mainly women, are employed by the apparel sector.

In its submission on behalf of the government, the BTTC cited the provisions in the General Agreements on Tariffs and Trade (GATT) and the World Trade Organization (WTO) Agreement on Safeguard to explain that imposing such protective measures does not fulfil the conditions set in the related treaties.

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BSEC to restructure boards that fail to hold minimum shares

STAR BUSINESS REPORT

The stock market regulator has decided to reform the boards of the listed companies that fail to hold at least 30 per cent shares of their firms collectively.

Yesterday, the Bangladesh Securities and Exchange Commission (BSEC) approved a work plan on how to restructure the boards.

If a company fails to meet the condition on the minimum shareholding within November 30, the reform will be mandatory, the regulator said in a press release.

In 2011, the regulator ordered sponsors and directors to hold a minimum of 2 per cent shares of their company individually and 30 per cent jointly.

All the directors did not follow it despite repeated orders from the commission. Until November 1, directors of 36 companies were holding less than 30 per cent shares in combined.

This compelled the new commission to cancel the directorship of 17 directors of nine listed companies for not holding the minimum shares in September.

The regulator also fixed October 27 as the deadline to fulfil the collective minimum shareholding requirement and later extended it by a month.

Yesterday, the commission approved Mudaraba perpetual bond of Social Islami Bank worth Tk 500 crore. The bond would be unsecured and contingent-convertible and will carry a floating rate.

Financial institutions, funds, corporates and eligible investors are allowed to invest in the bond.

With the proceeds from the bond, the private commercial bank will strengthen its Tier 1 capital base.

Tier 1 capital is used to describe the capital adequacy of a bank and refers to core capital that includes equity capital and disclosed reserves.

The face value of the bond is Tk 10 lakh each.

EBL Investments Ltd is the trustee of the bond, while City Bank Capital and Prime Bank Investments are the lead arrangers.

Govt dialogue on stimulus packages begins today

STAR BUSINESS REPORT

The government will today hold the first of its three dialogues to evaluate the nearly two dozen stimulus packages rolled out to tackle the Covid-19 fallout.

Since the coronavirus outbreak in Bangladesh in March, the government has announced 21 stimulus packages involving Tk 121,353 crore to revive the economy and protect people.

The finance ministry will hold the series of dialogues styled, 'Stimulus Packages for Sustainable and Inclusive Recovery from Covid-19 Fallout in Bangladesh', in the format of three view-exchange meetings.

The initiative is aimed at raising awareness among stakeholders about the various aspects of the packages and their contribution to economic recovery, the finance ministry said in a press release yesterday.

Noted economists, researchers, country heads of multilateral development organisations and ambassadors will attend the dialogues as discussants.

The first view-exchange meeting will be held on the topic 'Job Retention, Restoration of Demand and Maintenance of Supply Chain'.

Commerce Minister Tipu Munshi, the prime minister's Principal Secretary Ahmad Kaikaus, World Bank Country Director Mercy Tembon and Japanese Ambassador ITO Naoki will speak at the event.

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, Selim Raihan, executive director of the South Asian Network on Economic Modeling, and Nazneen Ahmed, a senior research fellow of the Bangladesh Institute of Development Studies, will attend the discussion as well.

Finance Secretary Abdur Rouf Talukder will make a keynote presentation.

The second dialogue, to be held on December 3, will be on employment generation and revitalisation of the rural economy.

The last part of the series is set for December 10 and will discuss expanding the social safety net programmes and ensuring food security, the press release said.

The combined support under the stimulus packages now accounts for 4.3 per cent of the gross domestic product of Bangladesh.

The packages have been provided in the form of low-cost loans for the micro, small, medium and large industries, service providers, food security, social protection and special allowances as the pandemic-induced shutdown paralysed the economy, drying up millions of jobs and creating hundreds of new poor.

The dialogue comes amid criticisms over the effectiveness of the scheme as the disbursement for small and medium enterprises, and farm sectors is still very slow.

READ MORE ON B3

South Korea to provide \$50m in budget support

JAGARAN CHAKMA

South Korea has agreed to provide \$50 million in budget support to Bangladesh to help the country continue its fight against the coronavirus pandemic.

In June, Bangladesh had urged the South Korean government for financial aid amid the crisis.

And recently, the South Korean embassy in Dhaka informed both the finance and the foreign affairs ministries that Seoul has accepted Bangladesh's request.

As such, the government of South Korea will provide \$50 million loan under the Economic Development Cooperation Fund to help Bangladesh address the Covid-19 fallout.

The embassy has requested the government to complete the official procedures needed to finalise the loan agreement, which will be disbursed through Korea Eximbank.

"I am confident that this provision will lend adequate support for Bangladesh's fight against the Covid-19," said Lee Jang-keun, South Korean ambassador to Bangladesh, in the letter.

"I would like to assure you of Korea's firm solidarity with the people of Bangladesh in

this joint fight against the pandemic."

Bangladesh has so far received more than \$2 billion as financial support from its various multilateral and bilateral partners to recover from the economic downturn.

This includes aid from the World Bank,



the International Monetary Fund, and the Asian Development Bank.

The IMF is providing \$732 million as emergency assistance, the largest financial support provided by any entity to Bangladesh to deal with the Covid-19 fallout.

The ADB provided \$608 million as budget support and technical assistance, and the fund has already been deposited to the government treasury.

The ADB extended the support to Bangladesh to help the country address its immediate public health requirements.

The Manila-based lender funded the immediate procurement of equipment and supplies needed for testing and upgrading

health emergencies.

The remaining \$500 million is for providing budget support for different projects.

The government has sought \$1 billion from the Japan International Cooperation Agency (Jica). Officials of the Economic Relations Division said they were hopeful about getting support from the Jica.

Besides, the government is seeking financial assistance from its development partners to procure Covid-19 vaccines as soon as it hits the international market.

The ministry estimates that Bangladesh might need between \$1.65 billion and \$2 billion to vaccinate the 165 million people in the country.

The ERD sought \$500 million from the WB, \$500 million from the ADB, \$500 million from Japan and \$200 million from the Asian Infrastructure Investment Bank to purchase, store, transport and distribute the vaccines.

Bangladesh needs external financing to implement its \$14 billion stimulus packages introduced to help its people cope with the losses caused by the pandemic.

The packages are equivalent to 4.03 per cent of the GDP.

BKB, Rakub asked to reduce default loans, boost capital base

AKM ZAMIR UDDIN

Bangladesh Bank yesterday asked two specialised banks to strengthen their financial health by bringing down default loans and boosting capital base.

Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (Rakub) have also been instructed to reduce their large number of unprofitable branches by cutting costs.

The banking regulator came up with the instructions during a meeting at its headquarters presided over by Governor Fazle Kabir. The chairman and managing directors of the two lenders were also present.



The directives were issued as per a memorandum of understanding (MoU) between the central bank and the state lenders.

The BB sets new targets for the two banks every year and reviews their performance once in every three months under the agreement.

The central bank earlier asked BKB to recover Tk 101 crore from the top 20 defaulters by 2020. It managed to realise Tk 11.36 crore in the first six months of the year.

The defaulters held 45.47 per cent of the total defaulted loans to the tune of Tk 2,733 crore as of June, according to central bank data.

Rakub also performed poorly as it realised Tk 3.21 crore in the first half against the annual recovery target of Tk 56 crore from the top 20 defaulters.

As much as 17 per cent of the bank's defaulted loans, amounting to Tk 1,756 crore, are now stuck with the top delinquent borrowers.

READ MORE ON B3

India import hurdles hit Apple iPhone, Xiaomi devices from China

REUTERS, New Delhi

India's tight control of quality clearances for electronic goods from China slowed the import of Apple's new iPhone model last month and held up other products made by companies like Xiaomi, according to two industry sources.

Applications to the quality control agency, the Bureau of Indian Standards (BIS), typically used to be processed within 15 days, but some are now taking up to two months or longer. BIS started delaying approvals in August for China-made imports of devices like smartphones, smartwatches and laptops, part of the fallout from deteriorating ties with China after a border clash in June that left 20 Indian soldiers dead.

Since the clash India has tightened rules for investments from China and banned hundreds of Chinese mobile apps, including from tech giants Tencent, Alibaba and ByteDance. It banned 43 more apps on Tuesday.

When Apple's new iPhone 12 was caught in the delays, Apple India executives called on BIS to speed its approval up, giving assurances that the company would continue to expand its assembly operations in India, the two sources said. It was not clear how long the iPhone 12 application was delayed, and Apple did not respond to a request for comment.

The company has assembly operations in India, but newer models and the iPhone 12 are imported from China, where contract manufacturers make the bulk of Apple's devices.

As of Wednesday, 1,080 applications to BIS for laptops, tablets and other devices were pending, with 669 of those waiting more than 20 days, according to the agency's website. These included applications for devices from China-based factories of Wistron and Compal Electronics, and from Hangzhou Hikvision, the data showed.



The Apple logo is seen outside the Apple Store in Washington.

Some of the applications for approval have been pending since September.

Indian traders and Hindu nationalist groups have for months called for boycotting imported products from China because of the border clash, while Prime Minister Narendra Modi continues to promote self-reliance and local production.

"While the BIS is delaying approvals for products like smartwatches, the Ministry of Electronics and Information Technology is pushing companies to make these devices in India," said one of the sources.

Under BIS's registration scheme, certain electronic goods - whether imported or locally made - need to meet certain standards. After companies get their products tested in a certified laboratory, BIS approves the applications.

Wistron and Compal did not respond to requests for comment. Hikvision declined to comment.

BIS Director General Pramod Kumar Tiwari and India's tech ministry did not respond to requests

for comment.

The clearance delays are the latest headache for technology companies whose supply chains were hit by the COVID-19 curbs, pushing some smartphone makers to resort to imports of even models made in India. The delays also come during India's festive season when customers make big ticket purchases of everything from mobile phones to gold and cars.

The BIS delays have also hit smartwatch imports for companies including Xiaomi and Oppo, the two sources said. Xiaomi and Oppo did not respond to requests for comment.

In July, India's trade ministry also restricted inbound shipments of TVs by requiring importers to get a special licence, a move that one of the sources said continues to hurt companies such as Xiaomi and Samsung Electronics.

Xiaomi was denied the special licence to import roughly 30,000 units of TVs, while Samsung has faced similar import hurdles, the source said. Samsung did not respond to a request for comment.

Japan's ramen bars struggle to stay open as Covid hammers small firms

REUTERS, Tokyo

Sixty-year-old Yashiro Haga is folding his Tokyo noodle ramen shop after 15 years in December, unable to overcome the prospect of a lasting customer slump due to the coronavirus crisis.

"The flow of people has changed due to the coronavirus," Haga said, standing behind the counter of his ground-floor shop, Shirohachi. "Customers aren't coming in and queuing up outside shops any longer."

The pandemic is damaging Japan's "mom-and-pop" restaurants - including noodle shops like Haga's - at a growing rate, despite evidence the government's massive effort to stave off bankruptcies is working in other sectors of the economy.

Hurt by deflationary pressures and growing competition in the run-up to the now-delayed Tokyo Olympics, noodle bars are particularly prone to the economic malaise the pandemic triggered in the service sector.

Small and mid-sized businesses like Haga's noodle bar employ about 70 per cent of Japan's workers and account for 99.7 per cent of the total number of enterprises, according to government data, leading some to worry that a COVID-19 resurgence could trigger an increasing number of layoffs among small firms.

While overall bankruptcies among firms with at least 10 million yen (\$96,228) in liabilities in the six months to October fell 5.2 per cent from a year earlier, those among restaurants rose 4.5 per cent, data from private credit company Teikoku Databank showed.

Bankruptcies among restaurants with less than 10 million yen in liabilities were up by 137 per cent for the same period, Tokyo Shoko Research, a firm that monitors similar data, said, while the total for the service-sector, including restaurants, rose 64.4 per cent.

But industry insiders expect that is just the tip of the iceberg, as local shops often close up with no official filing.

"Many ramen shops won't appear in any figures when they're closing down because they're small, privately owned businesses," said Haga, who has gone without salary since April.

Hiroaki Nakazawa, a 42-year-old pharmacist who has frequented Shirohachi for about a decade, said he felt sad about its closure. "There's only one place like this."

At least seven other noodle stalls in the central Tokyo area popular with tourists where Haga has his table-less shop, which seats nine people at the counter, have already closed since March this year.

Nationwide, 34 ramen businesses with at least 10 million yen in liabilities went bankrupt during the first nine months of 2020, also a record high for the period, Teikoku Databank said.

Another reason why experts say statistics underestimate the true impact of the pandemic on ramen shops is that winding down is expensive due to requirements from landlords to leave the stores stripped down after a six-month notice period.

"There are many firms with a lack of cash flow," said Manabu Shintani, CEO of Actpro Co, a property intermediation services provider.

Among noodle shops, the first to fold this year were those whose businesses were already on knife-edge before COVID-19, often run by elderly owners, said Takeshi Yamamoto, an independent ramen critic who tracks shop closures.

Those were followed by a wave of noodle chains closing outlets, and now some places with younger owners are shutting down, said Yamamoto, who has eaten at more than 10,000 noodle shops.

He estimated that the real number of ramen shops shutting down nationwide was about 290 in October and November alone.

The spate of closures has helped some Actpro's platform for matching businesses looking to shut down with firms hoping to move into the location being vacated has been a hit.

Once a match is made, a restaurant owner and the incoming owner negotiate with the landlord, cutting costs.

The company has seen the matchings quadruple to about 70 to 80 a month after the crisis started taking its toll, Shintani said.

Shirohachi's Haga used about \$29,000 in government subsidies to get through until his closure.

He tried offering his noodles through takeout but was unable to make up for the income he lost after office workers' visits fell due to work-from-home restrictions.

"Even among the most popular places, sales from takeout aren't exceeding" the sales drop from the crisis, ramen critic Yamamoto said.



Sixty-year-old Yashiro Haga serves ramen at his noodle shop 'Shirohachi', amid the coronavirus disease outbreak, in Tokyo, Japan on November 20.

India's NSE warned Future Retail of action over disclosures on Amazon dispute

REUTERS, New Delhi/Mumbai

India's National Stock Exchange (NSE) privately warned Future Retail it risked regulatory action for not making timely market disclosures about efforts by Amazon.com to block a disputed asset sale, according to e-mails reviewed by Reuters.

Future Retail - one of country's top retailers - has been locked in a bitter dispute with Amazon over its \$3.4 billion retail assets deal with Reliance Industries. Amazon is a business partner of Future and argues the Indian firm's asset sale breached some of their pre-existing agreements.

Amazon had complained to stock exchanges, accusing Future of misleading public by making incorrect market disclosures, allegations the Indian group denies.

The complaint came after Amazon on Oct. 27 won an injunction from an arbitrator to halt the Future-Reliance deal. Previously unreported e-mails exchanged between the NSE and Future show the stock exchange repeatedly requested the company submit more details of the arbitration order, seeking details of possible impact on financials, lenders and the Reliance deal.

On Oct. 27, NSE asked Future why it had not disclosed the commencement of the arbitration proceedings and not shared the impact of the order. Future in response said it believed a disclosure wasn't required.

NSE's listing compliance division rejected that argument. It demanded a series of disclosures be made within hours, "failing which appropriate actions may be initiated", the emails showed.

Future Retail's Company Secretary, Virendra Samani, answered most of



An Amazon distribution center is seen as the coronavirus continues to spread across the United States, in North Las Vegas, Nevada.

NSE's queries in a late night e-mail on Oct. 30, saying it was doing so "in the best interest of all stakeholders", the communications showed.

Many of those responses were made public on directions of the NSE two days later in a six-page exchange filing by Future.

Before that, Future had only submitted a disclosure on Oct. 26 in which it attached a media release saying it would ensure its deal with Reliance proceeded unhindered and that it was reviewing the arbitration order.

The NSE and Future Retail did not respond to requests for comment.

The legal dispute has now reached the Delhi High Court, where Future Retail has urged the court to stop Amazon from writing letters to regulators to block its Reliance deal, which is pending approvals from the market regulator and stock exchanges. The judge is expected to rule on the

plea in the coming days.

Amazon had separately asked India's market regulator to investigate Future for insider trading, saying it disclosed to Reliance price sensitive details of the arbitration order before its exchange filing in late October.

Future has said its communications with Reliance, which is led by Asia's richest man Mukesh Ambani, were for a "legitimate purpose".

NSE in e-mails at least twice asked Future Retail to provide a copy of the arbitration order to vet the disclosures, and also why it should not be disclosed as material price-sensitive information, emails between Oct. 27 and Oct. 30 showed.

Future's Samani at first declined the request, stating in an e-mail that the order was "confidential in nature" and sharing further information could be "detrimental" to the company. A copy was provided following NSE's warning.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বিভাগীয় বন কর্মকর্তার কার্যালয়
পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি
ই-মেইল নম্বর: dfcochts@gmail.com

তারিখঃ ২৪/১১/২০২০খ্রিঃ

দরপত্র বিজ্ঞপ্তি নং-০২/পরিচালন বয় (রাঙ্গামাটি) অব ২০২০-২০২১

আউটসোর্সিং প্রক্রিয়ায় জনবল সরবরাহের উন্মুক্ত দরপত্র বিজ্ঞপ্তি

বিভাগীয় বন কর্মকর্তা, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি এর অধীন রাঙ্গামাটি জেলায় আওতাধীন অর্ধ শ্রান্তি ব্যাপকে আউটসোর্সিং প্রক্রিয়ায় সেবার ক্যাটাগরী-৫ (বাংলা চৌকিদার, নৌকালালক (বোটম্যান) ও বাগানমালী) নিয়োগের লক্ষ্যে প্রকৃত জনবল সরবরাহকারী প্রতিষ্ঠানের নিকট হতে পরবর্তী ১ বৎসর সময়ের জন্য সীলমোহিতকৃত খামে দরপত্র আহবান করা হচ্ছে।

১।	মন্ত্রণালয়/বিভাগ	ঃ	পরিবেশ, বন ও জলবায়ু পরিবর্তন মন্ত্রণালয়।
২।	বাস্তবায়নকারী সংস্থা/সংগ্রাহক সত্তার নাম ও ঠিকানা	ও	বন অধিদপ্তর, বিভাগীয় বন কর্মকর্তা, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি।
৩।	দরপত্র নং ও তারিখ		০২/পরিচালন বয় (রাঙ্গামাটি) অব ২০২০-২০২১ তারিখঃ ২৪/১১/২০২০খ্রিঃ
৪।	দরপত্র প্রকাশের তারিখ		২৭/১১/২০২০খ্রিঃ তারিখের মধ্যে।
৫।	দরপত্র পদ্ধতি		উন্মুক্ত দরপত্র পদ্ধতি।
৬।	অর্ধের উৎস		রাঙ্গামাটি জেলা (জিওবি)।
৭।	দরপত্র সিডিউলের মূল্য		প্রতি সেট ৪০০/- (চারশত) টাকা মাত্র (অফেরতযোগ্য)।
৮।	দরপত্র সিডিউল সংগ্রহ পদ্ধতি		বিভাগীয় বন কর্মকর্তা, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি এর বরাবরে নিজস্ব প্রতিষ্ঠানের প্যাডে লিখিত আবেদনপত্র, রেজ কর্মকর্তার কার্যালয়, সদর রেজ, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি হতে ৪০০/- (চারশত) টাকা নগদে, সরকারকে প্রদত্ত অর্ধের রসিদ, ফিন্যান্সিয়াল কন্ট্রোল নং-১ গ এগ্রহপত্র রেজ কর্মকর্তা বা তার প্রতিনিধির নিকট হতে ১৩ ডিসেম্বর ২০২০খ্রিঃ তারিখ পর্যন্ত সকল কাৰ্যদিবসে অফিস চলাকালীন সময়ে দরপত্র নির্ধারিত সিডিউল সংগ্রহ করা যাবে।
৯।	দরপত্র দাখিলের তারিখ, স্থান ও সময়		১৪ ডিসেম্বর ২০২০খ্রিঃ তারিখ সকাল ১০.০০ ঘটিকা হতে দুপুর ২.৩০ ঘটিকা পর্যন্ত বিভাগীয় বন কর্মকর্তা, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি এর কার্যালয়।
১০।	দরপত্রদাতার যোগ্যতা ও দরপত্রের সাথে দাখিলযোগ্য ডকুমেন্টস এর বিবরণ		দরপত্রদাতাকে নিম্নোক্ত ডকুমেন্টসের ছায়াছবি ১ম শ্রেণীর গেজেটেড কর্মকর্তা কর্তৃক সত্যায়িত করে পূর্ণকৃত দরপত্র সিডিউলের সাথে দাখিল করতে হবে। ক) ১,৭৬,০০০/- (এক লক্ষ ছিয়াত্তর হাজার) টাকার পে-অর্ডার/ব্যাংক ড্রাফট দরপত্রের জমানত হিসেবে জমা দিতে হবে, (খ) দরপত্রের সাথে জনবল সরবরাহকারী হিসেবে হালনাগাদ ট্রেড লাইসেন্স, (গ) আয়কর পরিশোধ সনদ, (ঘ) জিজিটাল ভাউ রেজিস্ট্রেশন সনদ, (ঙ) আর্থিক স্বচ্ছতার সনদপত্র। এছাড়া অন্যান্য শর্তাবলী সিডিউলে উল্লেখ করা হয়েছে।
১১।	দরপত্র খোলার সময় ও স্থান		১৪ ডিসেম্বর ২০২০খ্রিঃ তারিখ বিকাল ৩.৩০ ঘটিকায় বিভাগীয় বন কর্মকর্তা, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি এর কার্যালয়। উল্লেখ্য, দরপত্রদাতা প্রতিষ্ঠানের প্রতিনিধিগণের উপস্থিতিতে (যদি কেহ উপস্থিত থাকেন) দরপত্র উন্মুক্ত কমিটি (টিওসি) কর্তৃক দরপত্র খোলা হবে। ঐ দিন যদি সরকারি ছুটি হয় তাহলে পরবর্তী কার্যদিবসে একই সময়ে দরপত্র খোলা হবে।
১২।	দরপত্র/সিডিউল বিবরণীঃ সেবার নাম/ক্যাটাগরীর বিবরণীঃ		ক) সরকার কর্তৃক নির্ধারিত সর্বসাকুল্য সেবা মূল্য ১৬১৩০/-X১= ১৯৩৫৬০/-X২= ৫০৩২৫৬০/- খ) আয়কর/ভ্যাট সরকারি বিধি মোতাবেক। গ) সার্ভিস চার্জ (সরকারি বিধি অনুযায়ী)। ঘ) সকল দরদাতা প্রতিষ্ঠানকে নোটিফিকেশন অব অ্যাওয়ার্ড প্রাপ্তির ৩ (তিন) দিনের মধ্যে যথাসময়ে জনবল সরবরাহ করা হবে, মর্মে, ৩০০/- (তিনশত) টাকার নন-জুডিশিয়াল স্ট্যাম্পের চুক্তিনামা স্বাক্ষরকর্তৃত্ব বিভাগীয় বন কর্মকর্তা, পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি এর বরাবরে দাখিল করতে হবে। ঙ) দরপত্রের সাথে মোট পদের অতিরিক্ত ২০% সহ (মোট ২৬ জন) বাংলা চৌকিদার, নৌকালালক ও বাগানমালীর জীবন বৃত্তান্ত (ছবি সহ), শিক্ষাগত যোগ্যতা সনদ, নাগরিকত্ব সনদ, স্বামী ও বর্তমান ঠিকানা, জাতীয় পরিচয়পত্র সত্যায়িত করে দাখিল করতে হবে।
১৪।			চ) দরপত্রের সকল কার্যক্রম The Public Procurement Act-2006 ও The Public Procurement Rules-2008 এবং আউটসোর্সিং (Outsourcing) প্রক্রিয়ার সেবাহরণ নীতিমালা, ২০১৮ এর বিধি মোতাবেক পরিচালিত হবে। ছ) ক্রটিপূর্ণ/অসম্পূর্ণ দরপত্র সরাসরি বাতিল বলে গণ্য হবে।
১৫।			জ) কর্তৃপক্ষ কোন কারণ দর্শানো ছাড়াই যে কোন বা সকল দরপত্র পূর্ণ/আংশিক গ্রহণ বা বাতিল করার অধিকার সংরক্ষণ করেন।
১৬।	চুক্তিপত্র সম্পাদন		সকল দরপত্রদাতাকে গৃহীত দরের/মূল্যের বিপরীতে ১০% পারফরমেন্স সিকিউরিটি/ব্যাংক ড্রাফট, চুক্তিনামা সম্পাদনের ৭ (সাত) দিনের মধ্যে নিম্নস্বাক্ষরকারীর বরাবরে জমা দিতে হবে।

মোঃ রফিকুল্লাহমান শাহ
বিভাগীয় বন কর্মকর্তা
পার্বত্য চট্টগ্রাম দক্ষিণ বন বিভাগ, রাঙ্গামাটি

জিডি-১৮৮৪

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
OFFICE OF THE EXECUTIVE ENGINEER, RHD,
ROAD DIVISION, JOYPURHAT.
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Memo No. 35.01.3800.434.13.042.20-2844 Dated : 25/11/2020

e-Tender Notice

This is an online Tender, where only e-Tenders will be accepted in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP system portal (<http://www.eprocure.gov.bd>).

e-Tenders are invited in e-GP System Portal (<http://www.eprocure.gov.bd>) by Executive Engineer(PE), RHD,Road Division, Joypurhat for the procurement of :

Earth work at 21st (P) 22nd (P) 24th (P) 25th (P) & 29th (P) K.M. and RCC Palisiding at 21st (P) K.M. of Mokamtola-Kalai-Joypurhat (Joypurhat portion) Road (R-550) under Road Division Joypurhat during the year 2020-2021.
Tender No. 20/e-GP/EE/JRD/2020-2021 & Tender ID No. 518076.

e-Tender details can be downloaded are from 30-11-2020, 10.00 to 14-12-2020, 17.00 on e-GP system portal <http://www.eprocure.gov.bd> for pursue.

e-Tenders will be accepted only up to 15-12-2020, 11.00 Accepted tenders will be opened online immediately after 15-12-2020, 11.00

Zakir Hossain
25/11/2020
(Zakir Hossain)
ID No. 602186
Executive Engineer (C.C), RHD,
Road Division, Joypurhat.

GD- 1887



Adnan Mahmud Ashraf-uz-zaman, head of cards at Jamuna Bank, and Ahmad Raquib, general manager for sales and reservation of Fortis Group, attend a deal signing ceremony at Jamuna Bank Tower in Dhaka offering discounts for the bank's stakeholders at the group's resort in Gazipur.

Samsung launches exchange offer, cashbacks on home appliances

STAR BUSINESS DESK

Samsung recently launched a new "Get More" campaign on exchange offers of up to Tk 22,000 and cashbacks of up to Tk 30,000 on select models of television, refrigerator, air conditioner, washing machine and microwave oven till December's end.

The campaign also offers an equal monthly instalment facility of 12 months and free home delivery. The products are available at Samsung Smart Plaza, Fair Electronics, Transcom Digital, Electra and Rangs Industries.

Every 55% or above Samsung model UHD TV provides a chance at winning a luxury stay at The Westin Dhaka, says a statement.

For refrigerators, the cashbacks could

be up to Tk 25,000 while those on air conditioners, washing machines and microwave ovens Tk 2,000 to Tk 5,000.

The exchange offers carry benefits from Tk 4,000 to Tk 22,000, depending on the original price and model of products.

"Our constant efforts to uplift the consumer experience in Bangladesh have been meeting very positive results for many years," said Shahriar Bin Lutfor, head of business for consumer electronics at Samsung Bangladesh.

"We have introduced this new campaign to honour the loyalty and love that we receive from our customers," he said.

"Nothing is more pleasing for us than having a consumer-base who wish to decorate their lifestyles with Samsung products for every need," he added.

Oil shrugs off US inventory gain amid sustained vaccine rally

REUTERS, London

Oil rose for a fourth straight session on Wednesday as the market shrugged off an industry report showing US crude stockpiles rose more than expected, extending a rally driven by hopes that a COVID-19 vaccine will boost fuel demand.

Brent crude was up 53 cents, or 1.1 per cent, at \$48.39 a barrel by 0956 GMT, having risen almost 4 per cent in the previous session.

West Texas Intermediate crude gained 38 cents, or 0.8 per cent, to \$45.29, after rising more than 4 per cent on Tuesday.

"Crude oil prices are trading at their highest levels since early March, supported by positive market sentiment as a result of vaccine news and strong oil demand in Asia," said UBS oil analyst Giovanni Staunovo.

"We maintain our bullish outlook for next year and target Brent to hit \$60 per barrel at the end of 2021," he added.

AstraZeneca said on Monday its COVID-19 vaccine was 70 per cent effective in trials and could be up to 90 per cent effective, providing another weapon in the fight to control the pandemic.

The formal start of US president-elect Joe Biden's transition to the White House has also improved the global outlook.

A weak dollar has also provided support for crude prices as a lower dollar makes oil

less expensive for buyers.

"The recent depreciation of the US dollar has helped temper the impact of surging oil prices for some of the world's largest consumers of energy," said Stephen Brennock of broker PVM.

The market seemed shrug off latest data from the American Petroleum Institute (API) on Tuesday that showed US crude stocks rose by 3.8 million barrels in the week to Nov. 20 to around 490 million barrels.

Official US government crude inventory data will be released later on Wednesday.

Analysts also said that a viable vaccine was not likely to be ready for mass use in the next few months, meaning lockdowns and travel restrictions will be in place into next year.

That makes it likely that OPEC+, made up of the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, will continue production cuts into 2021 after a meeting set to start on Nov. 30 following technical talks this week.

OPEC+ producers have been withholding supplies to support prices after pandemic lockdowns earlier this year caused an evaporation in demand.

They are currently due to increase production by 2 million barrels per day -- about 2 per cent of global demand before the pandemic -- from January.

EU chief says no-deal still possible despite progress in UK trade talks

REUTERS, Brussels

The head of the European Union's executive on Wednesday reported "genuine progress" in Brexit talks but said the risk of Britain leaving the EU without a new trade deal on Dec. 31 remained, an outcome she said the bloc was prepared for.

Britain and the EU are in a last-ditch effort to agree terms to keep trade flowing without tariffs or quotas from the start of 2021, after London's current standstill transition out of the 27-nation bloc ends.

"The next days are going to be decisive," said European Commission president Ursula von der Leyen. "The European Union is well prepared for a no-deal-scenario, but of course we prefer to have an agreement."

"With very little time ahead of us, we will do all in our power to reach an agreement. We are ready to be creative. But we are not ready to put into question the integrity of our single market," she added.

BD opposes Indonesia's move to slap safeguard duty

FROM PAGE B1

"Therefore, resorting to safeguard measures is unwarranted," said BTTC Member Mostafa Abid Khan.

The WTO agreements provide its members with the scope to take safeguard actions, such as temporarily restricting the imports of a product to protect a specific domestic industry from any potential threat, according to the WTO.

Such measures, which in broad terms take the form of the suspension of concessions or obligations, can consist of quantitative import restrictions or duty increases to higher than bound rates, said the organisation.

The Indonesian authority initiated an investigation into its apparel imports for the period between 2017 and 2019.

The BTTC said it made an effort to determine whether apparels were exported to Indonesia in increased quantities, absolute or relative terms to domestic production along with the trends in the rates and amounts of increase in imports, during the period.

It then said the number of garments shipped dropped in 2019 compared to the previous year and that the downward trend was going to continue this year.

Therefore, the upward trend in the cost and amount of the products under investigation does not satisfy the conditions outlined in the WTO Agreements on Safeguard, the BTTC said.

The BTTC also said Indonesia cut its tariff rates in line with free trade agreements with countries such as China. It said due to a 10 per cent reduction in tariff for China, imports from the country would likely increase.

"This is actually what happened," the BTTC added.

Therefore, the commission said, it may be deduced that an increase in the import of the product shown in the petition is not a result of any unforeseen development, a prime prerequisite of taking safeguard action as per the global trade agreement.

The BGMEA said the claim in the petition filed by the Indonesian Textiles Association, regarding the decline in production, did not match data from the large and medium manufacturing industries or micro and small manufacturing industries that produced apparels for the same period.

Indices clearly show the production of micro, small, medium and large manufacturing industries maintained a positive growth between 2017 and 2019, according to the BGMEA.

While the petition was lodged on the grounds of injury to the domestic industry, Indonesia's apparel export has also been confronted with losing competitiveness, said the BGMEA.

It cited falling exports of apparel and increasing producers' prices, unit prices and the rising minimum wage in the southeast Asian nation.

"Since all the data related to price and wages are suggesting that Indonesia's apparel industry may be suffering from erosion in competitive advantage, the temporary safeguard measure is neither appropriate as per the agreement on safeguards, nor is it sufficient to protect the local industry."

The trade body also cited the trade imbalance between Bangladesh and Indonesia, showing that it favours the latter. Bangladesh brought over \$1.94 billion worth of goods from the southeast Asian country and exported that of \$57 million in the fiscal year of 2018-19.

Of the garment items, Dhaka imported \$187 million worth of textile articles and shipped \$30 million worth of apparels.

"The import of textile by Bangladesh, which goes to the production of export-oriented garments, is allowed to enter duty-free here," said BGMEA President Rubana Huq.

In its submission, the BGMEA cited that Bangladesh's apparel items face duties as high as 25 per cent to enter Indonesian markets while Chinese products get duty benefits.

Indonesia's local industry might be facing the impact because of the zero-tariff access in favour of giants like China and Vietnam.

Therefore, imposing additional duty would simply harm Bangladesh, said Huq.

BKB, Rakub asked to reduce default loans, boost capital base

FROM PAGE B1

The central bank asked the lenders to take the initiative to recover these loans quickly, according to a Bangladesh Bank official, who attended the meeting.

The two lenders' capital shortfall also worsened between January and June.

The capital shortfall in BKB widened by 12.35 per cent year-on-year to Tk 10,318 crore as of June. It rose 96 per cent to Tk 1,338 crore for Rakub.

The central bank ordered the banks to take adequate measures to fortify their capital base by curbing non-performing loans.

A large number of loss-making branches also points to their financial health.

However, the number of unprofitable branches of BKB slightly went down to 311 as of June in contrast to 330 one year ago. Still, this figure is far too high as it has a total of 1,038 branches.

The number of unprofitable branches for Rakub jumped 323 per cent year-on-year to 195 in June. This means 51 per cent of the lender's 311 branches have fallen into a loss.

This led the BB to ask both BKB and Rakub to reduce the number of loss-incurring branches by following a useful cost-cutting model.

Poor corporate governance is the main reason for the deteriorating financial health of the two banks. Also, the central bank does not have full authority to control the lenders as per the Bank Companies Act 1991. So, the central bank frequently fails to force the state lenders to follow the MoU goals.

The two lenders have also been asked to speed up loan disbursements from the stimulus packages to accelerate economic recovery.

Govt dialogue on stimulus packages begins today

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For sectors like the export-oriented ones and large industries, the disbursement was quick. As of September, banks lent 48 per cent of a Tk 76,000 crore fund to large industries.

The export-oriented sector, mainly garments, is ahead of all so far. Initially, they were given Tk 5,000 crore. When the industry demanded more after the funds were exhausted, the government allocated another Tk 3,000 crore. The second tranche has also been distributed.

There are sectors where the disbursement of the stimulus fund has been very slow.

The special refinancing scheme worth Tk 5,000 crore for the agricultural sector can be a case in point. Some 78,526 farmers or farms received Tk 1,892 crore from 43 banks, which was less than one-third of the allocation.

Higher GDP growth fails to translate into lower NPL: BIBM

FROM PAGE B1

Strong internal management and good governance by banks can reduce the NPLs, said SM Moniruzzaman, a deputy governor of the Bangladesh Bank.

There is a sense of satisfaction over Bangladesh not being in a very bad position among the countries of the South Asian Association for Regional Cooperation, but still, there is enough scope for the betterment of the NPL level to a tolerable level, he said.

As banks give out term loans from short-term deposit, they tend to fall into problems, for which they need to enhance their deposit base, Moniruzzaman said.

Banks also need to assess borrowers properly to avert the NPLs as much as possible, the deputy governor added.

Banks' strong monitoring and assessment of borrowers are very important to reduce the NPLs, said Md Akhtaruzzaman, director general of the BIBM.

The lenders may make adverse selections in lending due to the presence of fake documentations, but with continued monitoring they can reduce the amount of money being siphoned off by the defaulters, he said.

Another big problem for the rise in the NPLs is delays in the judicial process

for the sale of mortgages, he said, adding that whenever a bank initiates the process, defaulters tend to go to courts and get a stay order issued.

Md Ataur Rahman Prodhon, CEO and managing director of Sonali Bank, said a case was filed in 1985 but it was yet to be settled. So, the bank still cannot materialise the mortgage and bring money into its books.

In most of the cases, banks cannot sell mortgaged assets for the lengthy legislative processes, he said, adding that many good borrowers do not even have anything to show as mortgage and avail a loan but their ideas and potential were immense.

"So, security or mortgage is not the solution for the NPLs," he said.

Many good borrowers end up getting finance in excess due to unethical competition between lenders, resulting in them also becoming defaulters, he said.

Due to a lacklustre performance of capital markets, banks lend for longer terms and it creates mismatch in fund mobilisation. The Sonali Bank managing director recommend strengthening the capital market.

Banks need to maintain due diligence in lending money, said Syed Waseque Md Ali,

managing director of First Security Islami Bank.

But it might not be possible in cases where political pressure is involved and these are the types of loans that become the NPL in most cases, he said.

Monitoring is very important because a good loan can turn bad due to the absence of monitoring, he said, recommending that the central bank form a database so that lenders can get authentic data about borrowers.

Ali also recommended finding ways to provide loans at lower interests as an incentive for good borrowers, reasoning that the interest rate for a good customer should not be the same as that for bad customers.

While giving out a loan, it is very important to figure out the actual reason for the borrower availing it, said Syed Mahubur Rahman, managing director of Mutual Trust Bank.

But the banking sector lacks qualified manpower, which hinders proper assessment and monitoring, he said.

The central bank should monitor the boards of directors of banks to see if they have the banking knowledge to run the establishments properly, he said.

On the other hand, banks need to start

giving out more working capital but they are doing the opposite and giving out more term loans. So, entrepreneurs sometimes face problems in running their businesses due to a lack of working capital.

A high interest rate does not always result in an NPL, he said, citing the example of Brac Bank.

The MTB CEO sought permission to run their own audits on companies before providing loans, reasoning that now there were so many credit rating companies that their valuations were not credible all the time.

Due to the spread of the Covid-19, businesses will be affected and the amount of the NPLs will increase once the pandemic ends, the report says.

Banks must remain vigilant so that the facility provided by the central bank withholding classification of loans this year is not misused, it added.

The report recommended stopping a borrower from being able to take loans from many banks, strengthening management efficiency and having bank agent monitor borrowers from within the latter's enterprise.

It also recommended proper assessments, ensuring effective corporate governance, and reducing unhealthy competition.

Towards a more conducive tax system: reform strategies and priorities

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The latter would, of course, need a significant change in the formation and working practices of the NBR. Examples of private-sector representation in the revenue governance body abound, including in Canada, the United Kingdom, New Zealand, Malaysia and Singapore. Sadly, over a fairly lengthy period of time, the NBR has not been able to make the alternative dispute resolution (ADR) mechanism for the resolution of tax disputes effective.

A firm political commitment is necessary for making perhaps the boldest yet the most critical tax reform measure necessary- separation of tax policy and administration. Setting policies and collecting taxes through the same institution not only creates a conflict of interest, but it also makes it impossible to have objective revenue targeting and necessary adjustments reflecting evolving

economic conditions, and enforcing tax compliance.

The objectives of the tax system should not be just to collect and meet revenue targets. It should aim to increase the positive effect of the tax system on economic efficiency and growth. It should consider the impact of current taxation on future economic activity, and it should consider the impact of current taxation on future tax revenue generation. All of this also needs to be informed by the implications of international trade policies, as well as the taxation and trade policies specifically of our competitor countries. Needless to say, all this requires the capacity for data collection, analysis and research, which is not present in any significant measure in the current structure.

One of the key steps would be to increase the analytical capacity in order to provide solid data analytics to lay the ground to inform and

prioritise both policy imperatives and decisions, as well as the necessary institutional and process-oriented reforms. Efficient revenue forecasting and the use of third-party information effectively would enhance the capacity to target sources of revenue fruitfully. Change, as always, will not be easy since there is at least as much vested resistance as there is support. However, realising this vision, and the overall reform of the revenue regime, will require the strongest of political commitment with resolute follow through. At the end of the day, a good tax system is simple, equitable, transparent, accountable and responsive to the development goals of the country.

The authors are respectively the chairman of the Policy Exchange of Bangladesh and the president of the Metropolitan Chamber of Commerce and Industry, Dhaka.

Tesla plans to produce electric car chargers in China, document shows

REUTERS, Beijing

Tesla Inc plans to start manufacturing electric vehicle (EV) chargers in China in 2021, according to a document submitted to the Shanghai authorities by the US firm which is seeking to expand sales in the world's biggest car market.

Tesla, which now sells its Model 3 electric cars in China and plans to deliver its Model Y sport utility vehicles in 2021, plans to invest 42 million yuan (\$6.4 million) in a new factory to make the chargers, also known as charging piles, near its car plant in Shanghai, the document seen by Reuters said.

China, which offers hefty subsidies for electric vehicles as it seeks to cut down on pollution from petrol or diesel cars, has been expanding its nationwide network of charging points, one of the biggest challenges to encouraging adoption of EVs.

The factory, which Tesla expects to complete in February, will have capacity to make 10,000 chargers a year, according to the document submitted by Tesla.

It now imports the chargers, usually installed in charging stations or car parks, from the United States.

Towards a more conducive tax system: reform strategies and priorities



M MASRUUR REAZ and NIHAD KABIR

The Covid-19 pandemic has laid bare around the globe the need to strengthen domestic revenue mobilisation systems of countries, particularly in developing nations. Given the imperative of harnessing resources to combat the extremely deleterious effects of the pandemic on national economies, the revenue system in a country like Bangladesh, whose swift progress towards attaining developed country status has received an unexpected shock, does come in for some examination.

Major economic shocks are affecting global markets, culminating in lower or negative growth, higher unemployment, rise in poverty, and acute fiscal pressure for countries around the world. The International Monetary Fund (IMF) projects the global economy will contract by 4.4 per cent in 2020 while emerging and developing Asia will grow at an estimated negative 1.7 per cent.

Bangladesh too, having displayed a robust average growth of more than 7 per cent over the last decade, will witness a lower growth. There is, of course, a rebound since June with positive trends in exports, remittances, and large parts of the domestic economy but several challenges continue to persist, including uncertainties in middle-east job markets, displacement of small enterprises, and loss of livelihoods or drop in income for millions.

While the current scenario is encouraging, the loss of the past several months will not be easy to recoup. For the export and overseas workers sectors, the state of the various customer and host countries will be major determinants in their performance going forward.

In the immediate aftermath of the Covid-19, the government of Bangladesh was quick and bold in announcing a massive \$11 billion economic stimulus programme, equivalent to more than 3 per cent of the country's GDP; as well as direct fund transfers and food aid to the neediest.

More than three-fourths of the total stimulus comes from bank credits, but the fiscal cost is significant – around 1 per cent of GDP. It is unarguable that although

through past prudent fiscal management, the government has created significant headroom to manoeuvre even in these troubled waters, revenue generation will be strained.

Managing the health and economic crisis and necessary prudent measures to secure medium-term recovery require massive fiscal resources. Allocation of higher resources in the health sector, absorbing interest losses or subsidies in the banking sector, delivering direct assistance to the poor, forbearance in tax and other regulatory compliance, tailored policy and financing support will place a significant fiscal burden of the state.

Bangladesh's unprepossessing tax-GDP ratio, which hovers around the 10 per cent and below the mark, is not a healthy sign for the volume of revenue needed to be generated to keep the economic scenario as stable as in the last several years. The essential dialogue needs to begin now on how effectively to work towards increasing this ratio while lowering the monetary and regulatory burden of compliance on good taxpayers.

Securing these resources in a fiscally sustainable way, and how to manage them wisely are key policy questions for the government to address. Notably, the need to strengthen the state's capacity to collect tax revenue to ensure a sustainable debt-GDP position while funding essential public services such as health and social protection will require careful but immediate effective consideration followed by prompt action.

This may seem like an inauspicious time to contemplate significant reforms; however, in addition to potentially focusing the minds of policy-makers, large shocks can also provide opportunities to positively address political and bureaucratic resistance to significant change, thus opening new reform opportunities.

In addition to responding to the crises to mitigate its impact on the people of Bangladesh, this may be an opportunity to re-engineer processes to remove the discretionary application of laws and rules, as well as making them much more technology-drive, which will create a large measure of transparency and accountability.

One critical rationale for Bangladesh policy-makers at this moment that warrants a quick and effective tax reform programme is to make the country's business environment more conducive and supportive of the country's 'Developed Country' vision. The regulatory and institutional environment has many weaknesses which are reflected in global indicators and indices. Significantly, both domestic and foreign investors rank the

taxation system and administration as one of the major roadblocks towards increasing private investment in Bangladesh.

Paying tax in Bangladesh is plagued with numerous policy and administrative complexities. The Doing Business 2020 reports that, on average, firms in Bangladesh make 33 tax payments a year, spend 435 hours a year filing, preparing and paying taxes, and pay total taxes amounting to 33.4 per cent of profits.

Despite a number of incremental reforms in recent years, the feedback from firms and the Tax Perception and Compliance Cost surveys indicate that there would have been more investment and growth, and more firms would have become formal enterprises if the tax regime were simplified. SMEs, particularly

critical to understand the incentives of the important stakeholders relevant to the system, prioritise the reforms, and set the appropriate reform strategies.

Bangladesh can accelerate successful tax reforms by adopting best practices from the world and contextualising them to the country's ground realities. Widening and deepening of the existing tax base across all the three taxes will be critical in this regard. In this context, developing a technology-led tax administration and taxpayer services system is critical, both to align with the vision of Digital Bangladesh but also to address many inefficiencies, including minimising contact between tax official and taxpayers, discretionary behaviour, and improving

taxpayer. Research into taxpayer behaviour and motivation has proven to be an effective tool in providing inputs to tailor taxpayer experiences to specific types of taxpayers, resulting in better revenue generation.

The objectives of an effective tax administration system would be to reduce and minimise the costs of administration and compliance on both sides, ensure procedural fairness, avoid discretion and discrimination, ensure transparency and engender confidence in the system as far as the taxpayer or citizen is concerned.

With a fast-growing economy and capacity constraints on the part of revenue administration, embracing a risk-based approach in enforcing tax policies and compliance holds the key to efficient administration and taxpayer services.

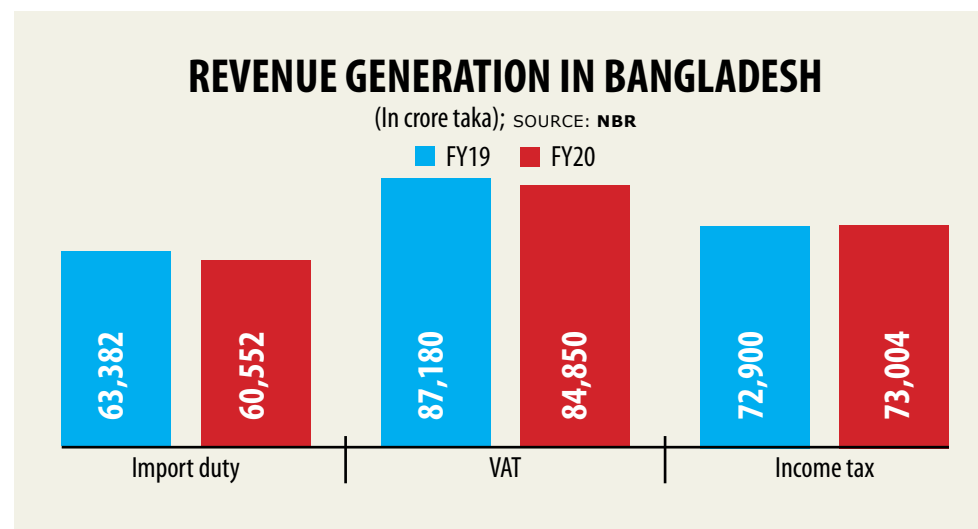
Authorities must consider shifting tax compliance management from the traditional subjective audit selection approach to a technology-assisted intelligent selection approach based on efficient data mining and revenue risk management tools. Incorporating a culture of prioritisation in revenue administration will help keep tax officials from non-priority routine work which is often high-volume and low-knowledge, and focus more on priority compliance and tax collection work.

If a paradigm shift is required in the tax policy landscape of Bangladesh, what are the questions to ask? What kind of taxation should be prioritised and in what time-frame: direct taxes, trade revenues or indirect taxes? What is an effective use of withholding and advance taxes, which are currently not just inefficient, but unjust in practice? Should the system be organised around the different kinds of taxes or different kinds of taxpayers?

Effective segmentation of taxpayers has proven to be a good practice in many countries, but the Large Taxpayers Unit is perhaps not playing the desired role, rather has become burdensome on the taxpayers included in it. An ongoing public-private dialogue is essential between the business community and the NBR, but that does not take place. A mind-shift in treating the taxpayer as a client as opposed to a target and the taxation officers as facilitators as well as revenue collectors is also necessary.

In terms of establishing accountability, it may be the appropriate time to consider establishing the office of Tax Ombudsman, as well as including private sector members in non-executive positions in the revenue governance body.

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small enterprises, fear to formalise because of perceived difficulties related to the tax system.

Tax reforms are complex undertakings due to both political economy and technical considerations. Key issues have been much talked about for a long time here in Bangladesh with the business community, influential in their own right, often pleading for such reform.

The principal points of contention have been a lack of transparency, the exercise of discretion, unfair application of laws to meet revenue targets, sudden changes to tax rates and conditions for imposition, the irrational imposition of advance income tax and tax deductible at source, lack of any effective mechanism for adjustment or refund of excess tax paid, failure to expand the tax net significantly, among others.

Yet, very little has taken place so far, an indication that tax reforms, however impactful they may be, will be no easy task. It will be

transparency.

Setting up an efficient, integrated national tax accounting network that will correctly account for, reconcile and record tax payment information at a transactional level for all the three taxes and make visible this information in real-time basis to taxpayers and to all stakeholders, including the government, the National Board of Revenue (NBR), tax officers, Bangladesh Bank and taxpayers, is essential.

Better and easier tax compliance is a function of both enforcement and incentivising taxpayers. Enriched and enhanced taxpayer experience through measures of simple and quick taxpayer services available at the doorsteps of citizens and business, reducing compliance cost for the taxpayer by eliminating unnecessary paper works and contacts between tax administration and taxpayers, will help develop trust and relationship between tax authorities and the honest and diligent

DCCI teams up with ICMAB

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce & Industry (DCCI) has signed a memorandum of understanding with the Institute of Cost and Management Accountants of Bangladesh (ICMAB) to work together for the betterment of the business community.

DCCI President Shams Mahmud and ICMAB President Md Jasim Uddin Akond penned the document on Tuesday, according to a press release of the chamber.

Mahmud said the signing the MoU would usher in a new opportunity for both organisations to work together for the betterment of the business community.

He appreciated the professionals of the ICMAB for their hard work to ensure

transparency in the financial system of a company.

He also called upon the institute to work closely with industries and firms to strengthen cooperation.

Akond emphasised on ensuring cost audit certification by professional cost management accounting firms or professionals for every listed company.

"CMA professionals can create a great impact by ensuring clarity in various economic aspects."

DCCI Senior Vice President NKA Mobin said the DCCI and the ICMAB could jointly work to facilitate a business-friendly environment in the country for the development of the economy.

DCCI Vice President Mohammad Bashiruddin was also present.

ECB warns against 'abrupt' end to pandemic aid

AFP, Frankfurt

The European Central Bank warned Wednesday that a premature withdrawal of government support to the eurozone's pandemic-hit economies could derail the recovery and trigger a wave of bankruptcies.

An "abrupt" end to the measures could "result in a more severe economic contraction than during the first wave of the pandemic," the ECB said in its twice-yearly financial stability report.

Eurozone governments have taken unprecedented steps to shield companies and workers from the pandemic fallout, including through guarantees on bank loans and repayment moratoriums, massive short-time working schemes and aid for businesses hit by shutdowns.

Despite recent optimism about Covid-19 vaccines, "there is a long road ahead," ECB vice president Luis de Guindos said in a statement. "Authorities will have to make difficult decisions on whether and how to extend policy measures and, eventually, deal with the debt they create," he said.

If fiscal support is not maintained for the full length of the crisis, firms most affected by social distancing restrictions "may face severe solvency issues or a more permanent disruption to their business models", even as other sections of the economy recover, according to the ECB report.

Concerns over a slew of bankruptcies

are already high due to the levels of debt incurred by companies and households during the first wave of the pandemic.

ECB President Christine Lagarde has previously said her biggest concern was governments creating a "cliff effect" by taking away fiscal support before a full-fledged recovery was under way.

However, while government support schemes continue to be essential, they should "remain targeted towards pandemic-related economic support and avoid giving rise to debt sustainability concerns in the medium term," De Guindos said.

The ECB has said that its own pandemic stimulus package, which includes a 1.35-trillion-euro emergency bond-buying scheme (\$1.6 trillion) to help keep credit flowing, will continue until the "crisis phase is over".

In the previous edition of its report in May, the Frankfurt-based institution said the risk of the eurozone collapsing could re-emerge as public debt in some countries explodes to cope with the coronavirus shock.

Lagarde at the time however said she was "not overly concerned", and the risk is no longer mentioned in the latest report despite EU leaders bickering over a 750-billion-euro recovery plan agreed in July. Lagarde last week called for the Next Generation EU fund to become available "without delay".

Miners say Covid-19 has accelerated move to digital, automation

REUTERS, Melbourne

The coronavirus lockdown is hastening digitalisation and automation in the mining industry, major firms and their partners said this week, helping to get more work done at remote mines, even if operators are far away.

That trend will drive down costs quicker, leading to smaller, cleaner mines where more can be done with fewer people, industry officials said at the Imarc mining conference in the southeastern Australian city of Melbourne.

"The pandemic has forced us to think about how we can do more of the work that had to happen on site, remotely... (and) how we do those tasks with less people," said Suresh Vadrana, chief technology officer at Newcrest, one of the world's largest gold-mining firms.

Digital twinning and better use of big data was also winning adherents, he added.

Australia's Big Three iron ore miners already have "digital twins", or big city control centres to let them manage parts of their operations from hundreds of kilometres away, but such sites are becoming more common.

Blasting the ground to collect ore offers an example of how big data



REUTERS/FILE

A worker operates an underground mining truck remotely from an office above a mine site at Independence Group's Nova nickel mine in Western Australia.

is being used to make operations more efficient.

Manually drilled blast holes can have small differences in relation to their location on a plan, as well as to each other, which can sometimes mean a blast sequence is not efficient.

Now a detonator put in the

bottom of a blast hole can function as a sensor that can provide information such as moisture content and signal its position relative to the rest.

"All this data allows the possibility to utilise Artificial Intelligence (AI) for modelling and designing blast timing," said

Dirk van Soelen, a vice president at explosives maker Dyno Nobel.

Efficiencies of this kind, combined with new technology, will help diversified miner Anglo American carve out another 10 per cent to 20 per cent of costs in the next three to five years, said Chief Executive Mark Cutifani.

"In using automation and industrial processes, we have changed mining methods," he said. "Anglo is using bulk ore sorting and it plans to roll that through our sites in the next few years."

Improved methods of sorting ore grades at its copper mines are helping Anglo cut its energy intensity, he added.

Big data now allows energy use and carbon emissions to be tracked and integrated with a mine's maintenance and operations, said Bas Mutsaers, global strategy tech and marketing lead at Schneider Electric.

"We can use this data to confirm our understanding of the processes at the site, to see correlations," he said, which could help miners forecast when to consume, produce, store or sell energy on solar farms, for example.

"AI is allowing us to do this at ever higher levels of complexity and speed."

Elon Musk now world's second wealthiest person

AFP, New York

Elon Musk, the charismatic chief of electric automaker Tesla, has overtaken Bill Gates to become the world's second richest person, according to the Bloomberg list of billionaires.

The South African-born Musk, 49, added \$7.2 billion in wealth on Monday alone following Tesla's latest surge.

He now has an estimated \$128 billion. The outspoken Musk, who is also cofounder of SpaceX, had already overtaken numerous luminaries in recent weeks, including Facebook Chief Executive Mark Zuckerberg and Bernard Arnault, the head of French luxury giant LVMH.

Now the only person he stands behind is Amazon founder and CEO Jeff Bezos, whose



Elon Musk

wealth is estimated at \$182 billion.

The upheaval of the coronavirus pandemic has allowed the ultra-rich to amass even more wealth as technology companies have gobbled up more market share of the economy.

In 2020, Tesla shares have surged more than 500 per cent and the company is now valued at more than \$500 billion.

Musk, who owns about 18 per cent of the shares, has made some \$100 billion during this stretch.

Tesla shares have gained further since the presidential election of Joe Biden, who favors more aggressive policies to address climate change.

Tesla was also boosted by an announcement that it is being added to the prestigious S&P 500 index.